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*The U.S. Military Role  
in a Changing Asia*

*Preparing for the 21st Century*

*A Documented Briefing*

*Norman D. Levin, Paul J. Bracken*

*Arroyo Center*

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## **PREFACE**

This report is an extended, annotated version of a briefing given in June 1992 summarizing the results of a RAND research project on the role of the U.S. military in Asia. The study examined military, economic, and political trends in Asia and the United States that are stimulating a new kind of regional dynamic that, left unattended, could adversely affect U.S. interests. It recommends a new strategy for pursuing these interests in Asia and identifies military roles and government policies appropriate for supporting that strategy.

The study reflects research completed by September 1992, when the draft report was submitted. It should be of interest to members of the policy community and others concerned with Asia and with defense strategies in a time of change and transition. It was prepared under the sponsorship of the Commander in Chief, Combined Forces Command, Korea, and conducted in the Strategy and Doctrine Program of RAND's Arroyo Center.

## **THE ARROYO CENTER**

The Arroyo Center is the U.S. Army's federally funded research and development center for studies and analysis operated by RAND. The Arroyo Center provides the Army with objective, independent analytic research on major policy and organizational concerns, emphasizing mid- and long-term problems. Its research is carried out in four programs: Strategy and Doctrine, Force Development and Technology, Military Logistics, and Manpower and Training.

Army Regulation 5-21 contains basic policy for the conduct of the Arroyo Center. The Army provides continuing guidance and oversight through the Arroyo Center Policy Committee, which is co-chaired by the Vice Chief of Staff and by the Assistant Secretary for Research, Development, and Acquisition. Arroyo Center work is performed under contract MDA903-91-C-0006.

The Arroyo Center is housed in RAND's Army Research Division. RAND is a private, nonprofit institution that conducts analytic research on a wide range of public policy matters affecting the nation's security and welfare.

James T. Quinlivan is Vice President for the Army Research Division and the Director of the Arroyo Center. Those interested in further information about the Arroyo Center should contact his office directly:

James T. Quinlivan  
RAND  
1700 Main Street  
P.O. Box 2138  
Santa Monica, CA 90407-2138

## **SUMMARY**

This report presents the findings of a project that examined roles for the United States and the U.S. military in a changing Asia. The report is divided into three broad sections: thinking about the future, building a regional strategy, and identifying appropriate military roles and policy measures. These sections address five sets of issues: current U.S. policy and underlying assumptions; key trends and Asia's future core environment; U.S. interests, strategic goals, and regional objectives in the core environment; alternative grand and regional strategies; and policy components, emphases, and building blocks to fulfill the recommended strategy, achieve U.S. strategic goals, and further U.S. interests.

The central theme of this report is that the times call for something more than business as usual. Trends in both Asia and the United States are stimulating a new kind of regional dynamic that, left unattended, could adversely affect U.S. interests. This report represents an attempt to address both the need for a new look at Asia and the opportunities the trends provide for advancing U.S. interests in a time of growing fluidity.




## **The U.S. Military Role in a Changing Asia: Preparing for the 21st Century**

P329-1-0393

This report presents the findings of a project whose goal was to examine roles for the United States and the U.S. military in a changing Asia. By "Asia" we mean essentially the area within the purview of the Commander in Chief, U.S. Pacific Command: the region stretching across the Pacific Ocean to the east coast of Africa and from the Russian Far East in the north down through Southeast Asia, the South Pacific, and around to the Indian subcontinent.

## Times Call for New Look at Asia

- Theme 
- Domestic planning environment
  - Decisions driven by budget
  - No national strategy
  - Role of U.S. military unclear—overseas future?
- Changing Asia—trends fostering perception of U.S. disengagement/new regional dynamics

P329-2-0393

The main conclusion of the study and the central theme of this report are that the times call for something more than business as usual. The sudden collapse of the Soviet Union and exigencies of the U.S. budgetary situation are having significant effects within the United States, including a generally short-term orientation, growing confusion about long-term U.S. goals, and increasing difficulty in formulating a national consensus about appropriate U.S. national strategies. The articulated goals are so broad, in fact, that they serve as a basis neither for decision making nor for motivating purposeful action. In this environment, a growing number of Americans are questioning whether the U.S. military has *any* role overseas at all.

At the same time, Asia itself is undergoing significant change. Global developments and domestic trends within the United States are fostering a widespread perception in Asia that the United States is on the way out (notwithstanding the U.S. administration's repeated assertions to the contrary) and are stimulating a new kind of regional dynamics that, left unattended, could adversely affect U.S. interests. This report represents an attempt to address both the need for a new look at Asia and the opportunities the trends provide for advancing U.S. interests in a time of growing fluidity.



## Objectives

- Understand dynamics of change
- Define elements of U.S. strategy
- Identify role of U.S. and U.S. military

Focus on desirable end states/paths—not what to buy,  
but how to think

P329-3-0393

The objectives of the study are the three listed here. We wanted to look at the region and understand the dynamics of change, try to determine the elements of a U.S. strategy that can adapt to the new environment, and identify appropriate roles for the United States and the U.S. military that would help the United States advance its regional interests. Cutting across these objectives was an effort to identify desirable end states and alternative paths for reaching them. The focus was not on appropriate force structures for different conflict scenarios, but on what the United States wants to see happen in the region and how to make it happen. In short, the focus was not on what to buy, but how to think.

### **Research Approach**

- Review current U.S. policy
- Examine trends/interaction to identify future core environment (not “most likely” environment, but intersection of alternative reasonable futures)
- Define U.S. interests, goals, and objectives
- Examine alternative strategies and define appropriate strategy for advancing interests, goals, objectives
- Identify roles for U.S. military and desirable policy measures, building blocks

P329-4-0393

After briefly reviewing current U.S. policy, we analyzed global and regional trends with a view to identifying Asia's future “core environment.” This core environment is not necessarily the “most likely” future environment; rather, it represents the environment formed by the *intersection* of alternative reasonable futures. We then defined U.S. interests, strategic goals, and regional objectives in this core environment and developed an appropriate strategy for advancing them over the remainder of this decade. We concluded by assessing the role of the U.S. military and appropriate policy measures in this new U.S. strategy.

### What Distinguishes This Study from Others

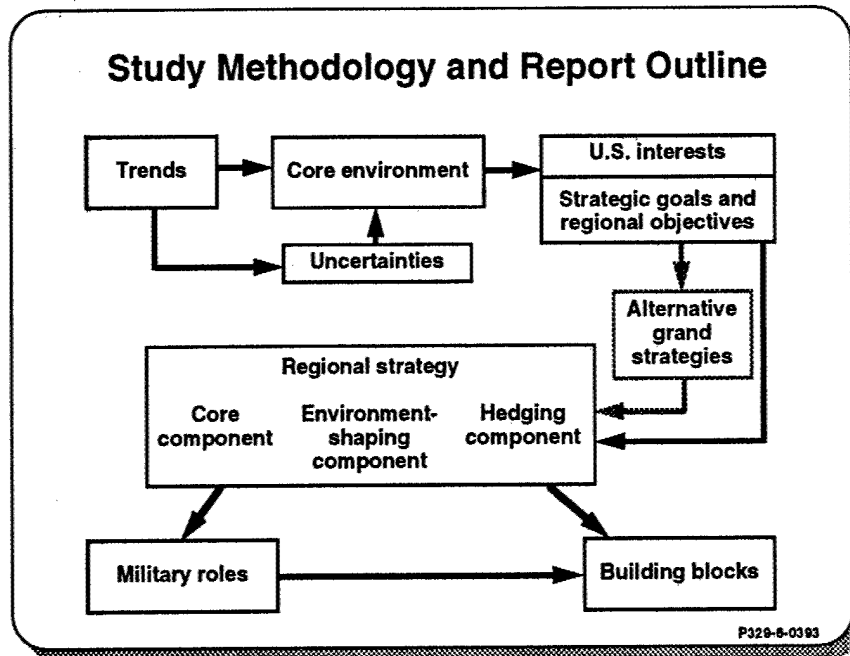
- Focus on *certainties* rather than uncertainties
- Attention to *interaction* among military, economic, and political variables
- Normative orientation: it explicitly addresses *should* question

P329-5-0393

Our study differs from many others in at least three ways. First, although we are aware of the many uncertainties of the current era and have addressed them in this study, we focused more on key *continuities* than on potential *turning points*. We proceeded this way partly because it is hard to plan for so many uncertainties and partly because focusing on the likely continuities better highlights the relationship between long-term trends and current decisions and hence is more helpful to decision makers.

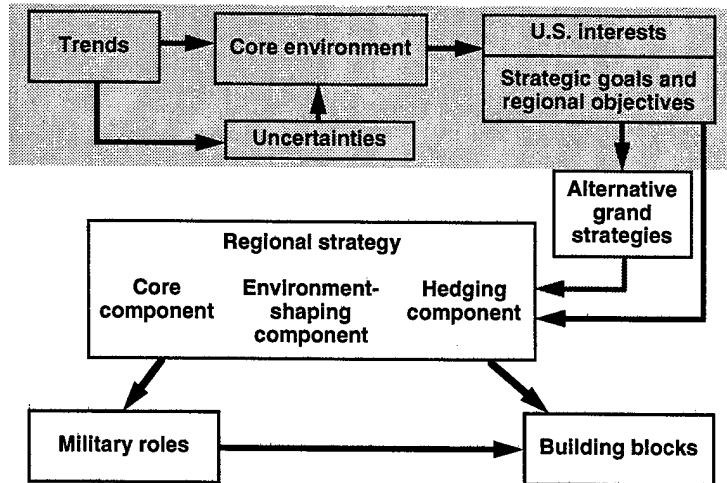
Second, we take seriously the notion that real security must be "comprehensive" in nature—i.e., it must embrace not only the military element, but the political and economic components as well. Accordingly, we directly addressed not only these three components, but also the ways in which they *interact* to affect U.S. interests.

And third, we went beyond merely identifying alternative options for the United States by explicitly suggesting what the United States *should* do to advance its interests in a changing region.



This chart depicts the methodology of the study and the layout of this report.

## Thinking About the Future



P329-7-0393

The first section of the report, whose contents are highlighted here, presents an approach for thinking about the future.

### **Sets of Issues**

- **Traditional U.S. interests, current policy, and military roles**
- **Challenges to assumptions underlying current policy**
- **Changes in Asia**
- **Asia and the United States**
- **Asia's future core environment**
- **U.S. interests, strategic goals, and regional objectives**

P329-8-0393

This first section, thinking about the future, involves six sets of issues. First, we briefly review U.S. policy toward Asia today, after which we discuss several key developments that are increasingly challenging the assumptions underlying the current U.S. approach to the region. We then look beyond the present and examine trends in Asia and in U.S. interactions with the region. We conclude by first describing the core environment we believe should be used for purposes of planning and then assessing the implications of the changing regional dynamics for U.S. interests.

### **First Set of Issues**

- **Traditional U.S. interests, current policy, and military roles**
- **Challenges to assumptions underlying current policy**
- **Changes in Asia**
- **Asia and the United States**
- **Asia's future core environment**
- **U.S. interests, strategic goals, and regional objectives**

P329-9-0393

The chart highlights the first set of issues addressed.

### **Traditional U.S. Interests in Asia**

- **Prevent domination of region by hostile power(s)**
- **Encourage regional peace/stability**
- **Assure U.S. access, influence**
- **Foster spread of market-oriented economies and democratic political systems**

P329-10-0393

U.S. interests in Asia have remained remarkably constant over the past century despite dramatic changes in the global and regional environments. The United States has consistently sought to prevent any hostile power or group of powers from dominating the region. In the first half of this century, this interest meant playing a balance-of-power game to prevent domination of the region by Japan, Russia, or the imperial European powers. In the second half of the century, it has meant essentially containing Soviet and Chinese communism.

The United States has also sought to maintain regional stability while ensuring U.S. access—largely defined as *naval* access—to and through the region. Both of these interests have been linked directly to the first U.S. interest: preventing regional domination and protecting America's status as a *global* power.

Although the United States has also sought to promote the spread of open markets and democratic institutions, it has tended to accord relatively low priority to this interest since the onset of the Cold War.



### **Current Policy Is Part of U.S. Global Orientation**

- **Creative adaptation: adjust but maintain policy fundamentals**
- **Application to Asia/Pacific:**
  - **Remain region's "hub" and "honest broker"**
  - **Maintain open markets (stress on APEC)**
  - **Support (quietly) democratization**
- **Central policy thrusts:**
  - **Modestly reduce forces but maintain basic posture**
  - **Stress free trade and encourage open markets**
  - **Restrain proliferation**
  - **Promote peaceful security environment**

P329-11-0393

The current U.S. approach to Asia is part of a broader, global orientation. This orientation, which might be called "creative adaptation," is not so much a coherent strategy as it is an effort to adapt in timely and creative ways to dramatic global changes while preserving fundamental U.S. policies.<sup>1</sup>

In Asia, this approach means trying to remain the region's ultimate security guarantor—at reduced but substantial levels of U.S. military forces—and the hub of a series of bilateral relationships linking the states of the region together (honest broker). It also means using both bilateral and multilateral approaches to maintain open markets while stressing the importance of the Asia-Pacific Economic Cooperation (APEC) group as the principal vehicle for fostering greater regional cooperation and quietly—but not actively—supporting political democratization.

Accordingly, the United States has sought to modestly reduce but still maintain its *basic* military posture while shifting from a leading to a supporting stance in Korea and seeking alternative arrangements to compensate for the loss of U.S. bases in the Philippines. The United States

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<sup>1</sup>This characterization, as well as the broad alternative strategies described in the second section of this report, is drawn from earlier, unpublished work on U.S. global strategy by a number of RAND colleagues: Paul K. Davis, Stephen M. Drezner, and Richard J. Hillestad.

has also stressed the importance of maintaining free trade and containing nuclear proliferation while supporting efforts to reduce tensions and promote regional peace and stability in places such as Korea and Cambodia.

### **U.S. Military Roles**

- **Symbolize U.S. intention to remain regional power**
- **Protect and reassure Asian friends and prevent power vacuum**
- **Maintain deterrent/reinforcement capability for Korea**

P329-12-0393

The roles of the military under the current U.S. approach appear to be the three listed here. These roles are predicated on the assumption that the resources, will, and appropriate structure and policy mechanisms will be available to sustain this orientation.

## **Second Set of Issues**

- **Traditional U.S. interests, current policy, and military roles**

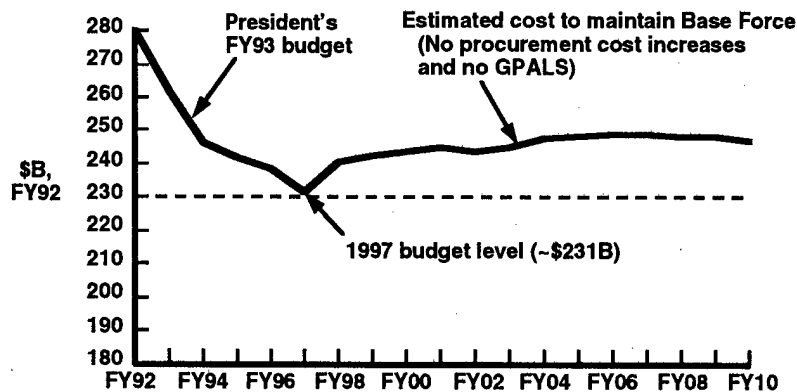
- **Challenges to assumptions underlying current policy**

- **Changes in Asia**
- **Asia and the United States**
- **Asia's future core environment**
- **U.S. interests, strategic goals, and regional objectives**

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Our analysis suggests that the assumptions underlying current policy need to be reconsidered.

### Future Funding May Not Be Adequate

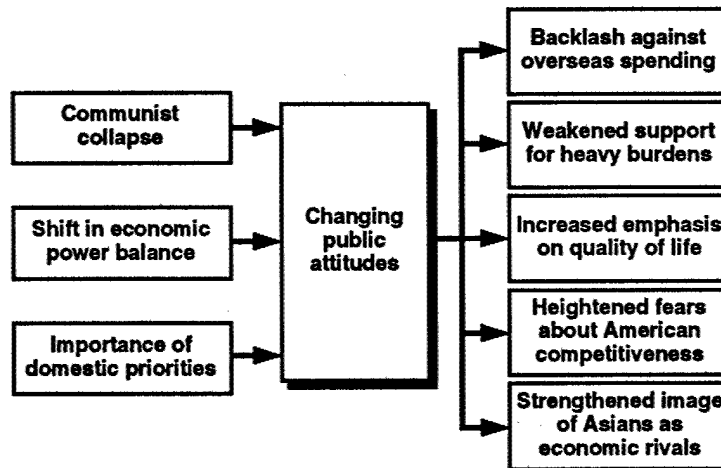


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In resource terms, the situation is bad and not getting better. Even if a free-fall can be averted in U.S. defense spending, the prospects are that adequate funding may not be available.

This chart reflects the efforts of a team of researchers at RAND to estimate the cost to deploy, support, and modernize the Base Force as announced in 1991. The chart suggests that even if the defense budget remains constant in real terms after fiscal year (FY) 1997, there will be a significant shortfall in funding. This calculation assumes that the United States does not procure defenses against limited ballistic missile strikes (Global Protection Against Limited Strikes [GPALS]) and that there are no increases in the costs of major systems. The sharp jump after 1997 reflects, in part, the backlog of modernization programs that are projected to force budgets up significantly thereafter.

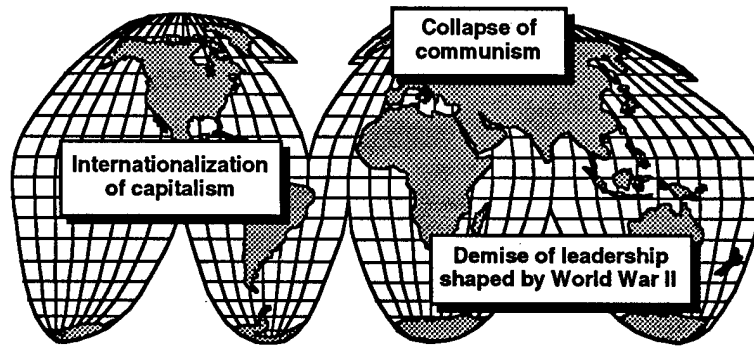
### Approach May Not Be Politically Sustainable



P129-15-0393

At the same time, public attitudes in the United States are changing significantly as a result of the collapse of the Soviet Union, the relative shift in economic power away from the United States, and the increased salience of domestic difficulties within the United States. This change is generating, among other things, a major political backlash against foreign assistance, diminished support for the continued U.S. assumption of a heavy international burden, and heightened concerns about American competitiveness, altering in particular American images of our Asian competitors. In this new domestic environment, the current U.S. approach simply may not be politically sustainable.

### Approach May Not Address Challenges of New Global Era



P329-16-0393

Finally, the dramatic global transformation raises questions about the *appropriateness* of the current U.S. approach to the world of the future. The disintegration of the Soviet Union and the global crisis of communism have left the United States in a strategically advantageous position as the world's only superpower, without a direct threat or a global rival. While the full implications of this change are uncertain, the bottom line is clear: the post-Cold War world will not be merely the Cold War world with minor modifications, and U.S. policies will require adaptation.

But this post-Cold War world will not only be defined by its post-communist identity; it will also mark the beginning of a different *kind* of era, one in which the need for capital and the desire for exports will increasingly dictate foreign policies. This new development is the result of the second great sea change in global politics, the "internationalization of capitalism," with market-oriented approaches now expanding to include an additional two to three billion people and much of the world's landmass. Along with this sea change has come a new penetrability of societies as massive trade and capital flows render national borders increasingly porous. This situation heightens the need for international cooperation while strengthening nationalist impulses to protect domestic employment.

Finally, the post-Cold War world will begin an era of new leadership as generational change brings to power a new group of Asian leaders whose world views are not shaped by the experience of World War II. Exactly what the metaphor for this generation will be is uncertain, but it will not be Munich, the Long March, or the U.S. military as a democratic institution builder, and it will involve considerably less deference to U.S. wishes. This new era will require greater consultative arrangements and a more collegial approach to alliance and coalition management.

Together, these three sea changes augur an entirely new environment. They also raise a whole new set of international problems—including ethnic strife, economic transition, proliferation, and environmental decay—that the United States cannot solve unilaterally. The challenge will be to build upon U.S. friendships and alliances to foster greater international cooperation.

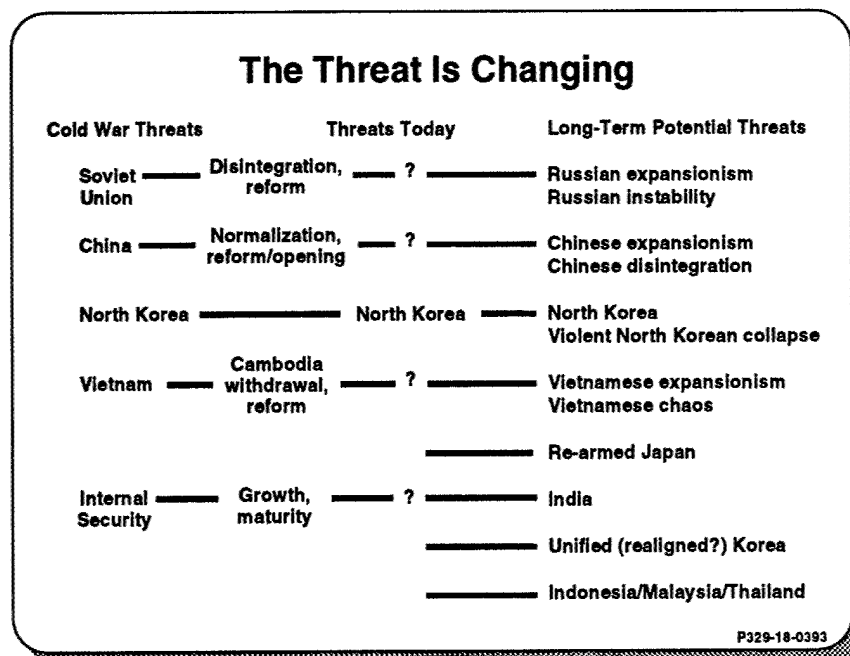


### **Third Set of Issues**

- **Traditional U.S. interests, current policy, and military roles**
- **Challenges to assumptions underlying current policy**
- **Changes in Asia**
  - **Asia and the United States**
  - **Asia's future core environment**
  - **U.S. interests, strategic goals, and regional objectives**

P329-17-0393

Meanwhile, Asia itself is undergoing significant change and transformation.

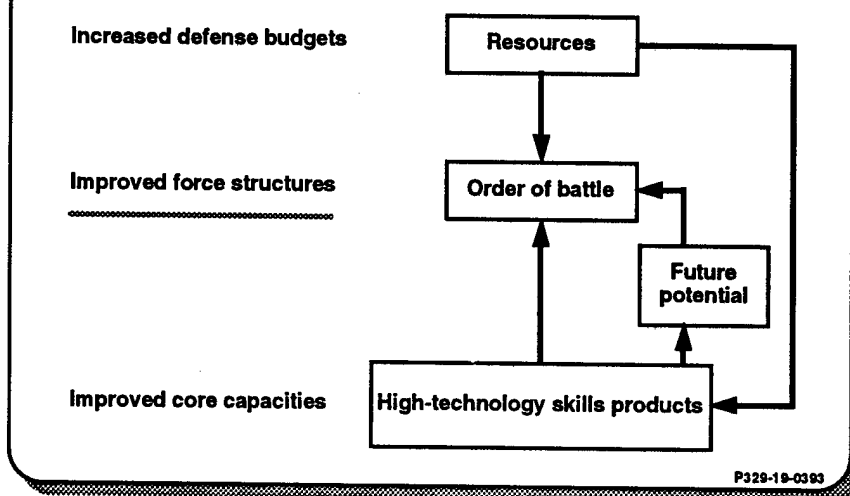


Militarily, the threat is clearly changing. Although the processes differ, the shared crisis in each Asian communist country has prompted changes everywhere except in North Korea. The Russian military capabilities are still substantial, but their use is seriously constrained by the domestic problems within the former Soviet Union. Except for North Korea, it is hard to identify a major threat in Asia today.

At the same time, Asian countries are more self-confident as a result of their sustained economic growth, growing political maturity, and general success (with the notable exception of the Philippines) in suppressing internal insurgencies. Together with growing population pressures, decreasing global reserves of petroleum, and increasing competition for food, water, and other natural resources, this confidence has encouraged a shift of focus from internal to external security.

Instead of clear threats, there are vague anxieties about the future, with a broad range of *potential* threats replacing the former focus on Soviet or Soviet-supported communist expansion. This chart highlights the great diversity of security concerns today in Asia. What it does not highlight is the range of nonmilitary threats, such as a precipitous U.S. withdrawal from the region or a breakdown in the global free-trade regime, that increasingly preoccupy Asian leaders.

### The Military Technical Revolution: Bolstering Asia's Arms Buildup and Future Capabilities



Given these anxieties and diverse security concerns, it is not surprising that Asia is one of only two regions experiencing a significant arms buildup. With some important exceptions (such as for Indonesia and the Philippines), the available data suggest a fairly general increase in defense spending throughout the region. China's defense budget, for example, increased by 15 percent in real terms in 1990, Thailand's increased by 16 percent, India's rose by 9 percent, and Singapore's rose by 12 percent. Malaysian defense budgets have risen by about 20 percent over two years, while Singapore, Taiwan, and South Korea have all increased their defense expenditures by between 5 and 10 percent in recent years. Altogether, Asian defense spending is now on the order of \$60 billion and is expected to double over the coming decade.

These growing defense budgets are generating significantly improved force structures, with most states of the region (except China, Vietnam, and North Korea) relying heavily on imports to modernize their defense capabilities. Between 1979 and 1989, for example, the South Asian share of the world arms import market increased nearly fourfold, from 4.5 to 17.4 percent. And in the second half of that decade, the South Asian arms imports grew more rapidly than those of any other region in the world

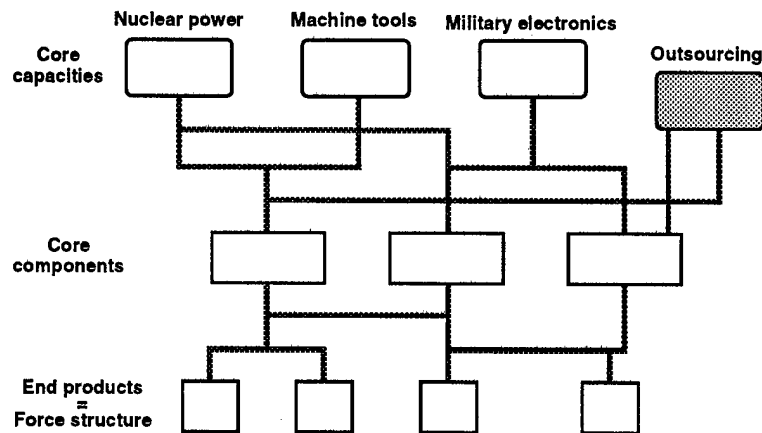
(more than 15 percent annually). East Asian arms imports rose from \$2.9 billion in 1980 to \$4.8 billion in 1988 (in 1985 constant dollars).<sup>2</sup> Much of this spending is for sophisticated conventional weapons, including advanced fighters, new warships and submarines, and modern air-to-ground and surface-to-surface missiles. The purchase of these weapons tends to be more inflammatory than does the purchase of the more purely "defensive" weapons, and it generates considerable uncertainty and suspicion within the region. Of particular concern is the continuing expansion of Chinese naval and power projection capabilities and the related strengthened position in the South China Sea.

The focus only on budgets and force structures, however, misses a critical aspect of Asia's expanding military capabilities: the competition beneath the surface to improve Asian technological capabilities, or what we call "core military capacities." New sources of money flowing in from arms exports, stock market openings, and other manifestations of Asian economic dynamism have allowed significant resources to be committed to military and dual-use industries in an effort to raise the level of technological capabilities. While not yet actual, these improved core capacities will bolster military capabilities over time, both through more sophisticated equipment and through organizational and doctrinal changes dictated by the improved core capacities. Such changes are beginning to happen already (as evident in Indian large-scale military exercises) as Asian militaries attempt to bridge the gap between their developing core capacities and their ability to use them.

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<sup>2</sup>For further details, see U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1990* (November 1991), pp. 1-21.

## The Military Technical Revolution and Asian Core Capacities



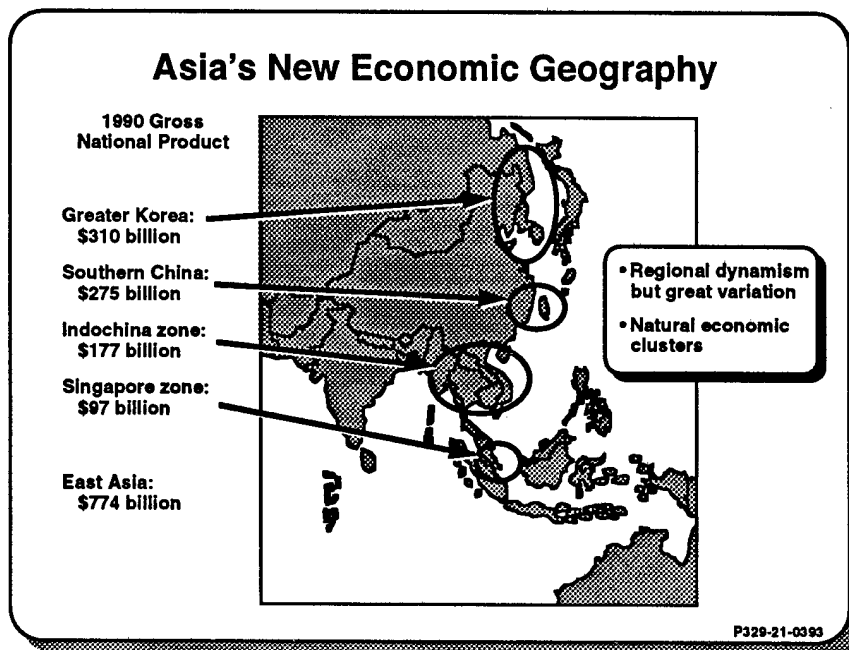
P329-20-0393

This chart indicates how the military technical revolution is developing in Asia. The top of the chart shows how Asian states are building a technical and knowledge base in nuclear power, machine tools, and (at least for certain countries, such as China and India) military electronics. These states are also building capabilities in outsourcing (networks of joint ventures, financing, and market skills) that permit them to acquire critical technologies, foreign skills, and personnel.

These skills and technologies can be directed at building components (middle of the chart) that in turn can be used in actual weapons systems (bottom of the chart). North Korean engineers, for example, have the tooling to modify Soviet Scud missiles. These skills have been used to build missile components that go into their own Scud missile, as well as into the export versions that show up in such places as Iran and Iraq.

In short, the military technical revolution in Asia is a process involving vertically integrated organizations that pool diverse skill and technology streams. What is involved is much more complicated, and potentially dangerous, than merely having dangerous weapons get into the wrong hands. While missile-technology control regimes and arms control may be useful, the U.S. military will have to assume that future operations in Asia will involve high-technology weapons, an increasing Asian power

projection capability, and a potential for escalation to levels of war that have political as well as military consequences.



The region is also undergoing a major economic transformation. Although the rate of economic growth has slowed for the Asian nations, it is still high relative to that of most other nations. Between 1986 and 1990, gross domestic product growth averaged 10 percent for South Korea and Thailand, 9 percent for Taiwan, 8 percent for China and Singapore, 7 percent for Malaysia, and around 5 to 6 percent each for India, Hong Kong, the Philippines, and Japan. This growth is highly uneven, however, both among and within countries. The most notable example of within-country unevenness is China, where the growth in coastal areas thriving under Beijing's support for special economic zones contrasts markedly with that in the largely undeveloped interior. This gap is important because of its implications for political stability. But it is also important because of its foreign policy implications: many observers see China's recent assertiveness concerning the South China Sea, for example, as at least partly a result of its need for the area's natural resources to help develop its interior.

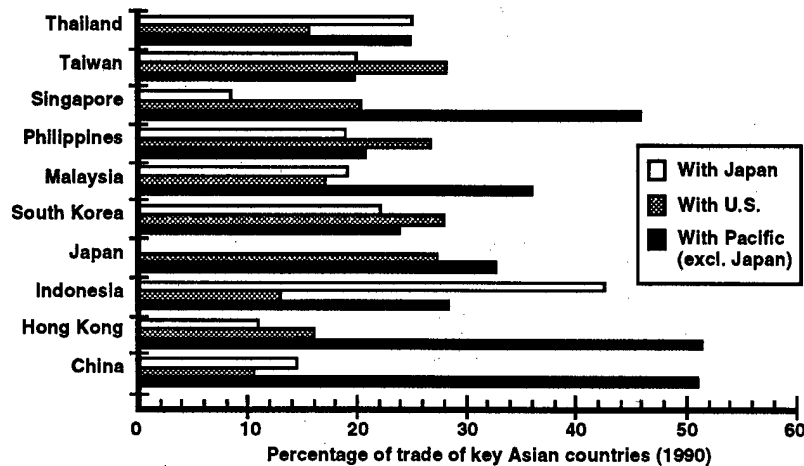
The general result of regional economic trends is a process pulling growth to the coasts, creating new economic growth poles and a natural economic clustering. This process is important economically because each of the growth poles serves as a magnet for growth: the closer one gets to the poles, the more rapid the growth becomes. But it also has strategic importance: as these growth zones develop, they become important

axes—replacing those of the Cold-War period—on which affected countries construct their foreign policies. Taiwan's foreign policy, for example, increasingly revolves around its investments in South China; and South Korea increasingly orients its policies around its interests in expanding its economic space to include Northeast Asia and the Russian Far East and in reunifying Korea in a way that does not weaken it economically or damage its long-term strategic interests. These economic growth zones also represent potential counters to Japanese economic hegemony in Asia.

The main point, though, is that a new economic geography is developing. In contrast to the dominant image of Asia in the 1970s and 1980s as "Japan plus the four tigers" (South Korea, Taiwan, Hong Kong, and Singapore), this much broader economic clustering is the economic map of Asia in the 1990s.



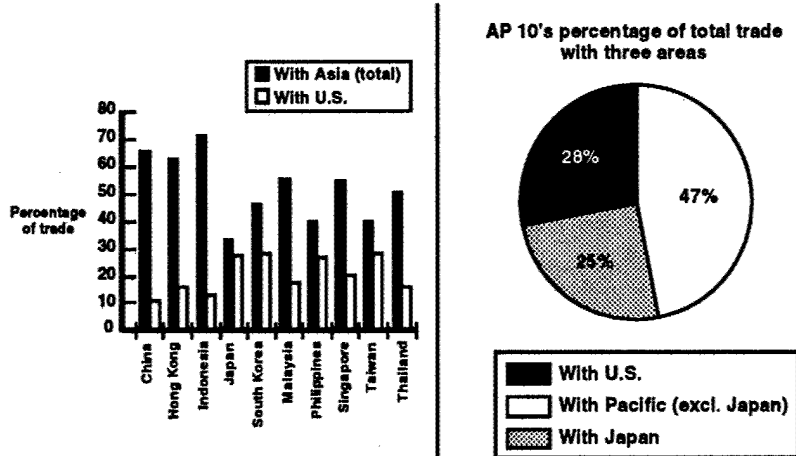
### Economic Interactions Increasingly Occur Within the Region



P329-22-0393

Given this new economic clustering, it is not surprising to find that the share of Asian economic activity taking place within the region itself is growing. This chart shows that most of the top ten Asia-Pacific countries (AP 10) trade more with the rest of the Pacific—*excluding* Japan—than with the United States; only three of the AP 10—South Korea, the Philippines, and Taiwan—trade more with the United States. Only four (the same three plus Singapore) trade more with the United States than they do with Japan alone.

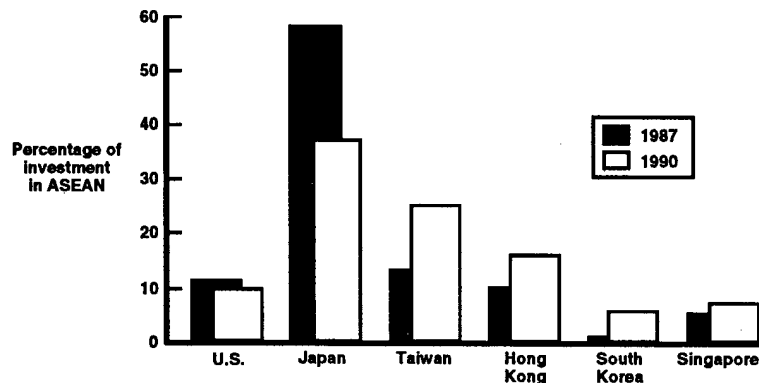
### This Increased Intraregional Economic Activity Raises the Prospect of Diminishing U.S. Influence



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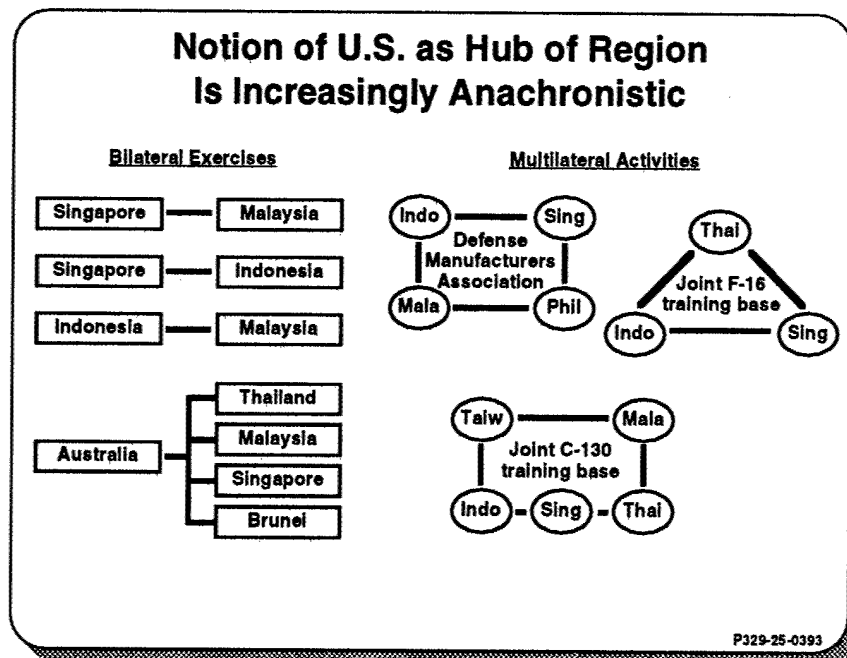
When Japan is included as part of the Pacific, all of the top ten Asia-Pacific countries (AP 10) trade more with the other states of the region than they do with the United States. As a result, the United States today accounts for only about 28 percent of the total trade of these key countries with these areas. Although the U.S. market remains very important, it is of declining importance relatively. This situation raises the prospect of diminishing U.S. influence—as reflected in the ASEAN initiative to form a free-trade zone in Southeast Asia and Malaysia's effort to form an East Asian economic grouping that excludes the United States—if the United States is not actively engaged with each country.

### Other Asians Could Supplant U.S. Suppliers



P329-24-0393

The trend regarding financial flows is similar to that concerning trade transactions. This chart depicts the direct foreign investment of six countries—the United States, Japan, Taiwan, Hong Kong, South Korea, and Singapore—in the four key developing economies of ASEAN (Thailand, Malaysia, Indonesia, and the Philippines). Aside from the obviously sharp decline in Japanese investment in these areas, largely accounted for by increased investment in other areas, the chart highlights two important trends: the further decline of U.S. investment, to the point at which the United States accounted for only about 9 percent of the total investment of these six countries in 1990; and the rise of other Asian countries, Taiwan and Hong Kong in particular, as important sources of foreign capital. Together, the investment of Singapore, a tiny country with a gross domestic product of less than \$34 billion, and South Korea, a country not historically associated with active involvement in Southeast Asia, exceeds that of the United States by 35 percent. Over time, these countries could supplant U.S. suppliers as local businesses turn to parent investors for intermediate products.



Although this increasingly intraregional activity is especially prominent on the economic side, it is beginning to be seen on the security side as well, particularly in the case of the member states of ASEAN, whose mechanisms for dialogue and low-level security cooperation are more advanced than those elsewhere.<sup>3</sup> In addition to numerous bilateral intelligence exchange agreements, an extensive network of cooperative defense activities has developed among the ASEAN countries, and between them and others, since the mid-1980s. These primarily bilateral activities involve different pairs of countries and include joint exercises, joint training programs, exchanges of defense personnel, and regular meetings of high-level military officers. Major joint exercises now number roughly half a dozen each year. These have not only become more frequent, but have also increased in scope to include a broader range of force elements. They have also used more demanding scenarios that increasingly involve the coordination of some of the most sophisticated capabilities in the respective defense forces.

In addition to these bilateral exercises and activities, multilateral arrangements for defense cooperation have also been made. These range

<sup>3</sup>The information depicted in this chart covering ASEAN is drawn in particular from Desmond Ball, *Building Blocks for Regional Security*, Canberra Papers on Strategy and Defense, No. 83 (Australian National University, 1991), especially pp. 35-40.

from the formation of a regional group of national defense manufacturer associations to promote complementary activities (starting with the preparation of assessments of national defense capabilities and deficiencies), to the construction of joint training centers for the C-130 and F-16 aircraft. Such arrangements represent the de facto introduction into ASEAN of a multilateral military dimension. Coupled with mushrooming mechanisms for broader, political dialogue—associated in particular with the annual meeting of ASEAN foreign ministers and the post-ministerial conference, but spanning a range of other fora and issues as well—such *intraregional* activity makes American characterizations of the United States as the hub of regional relationships appear increasingly anachronistic.

#### **Fourth Set of Issues**

- **Traditional U.S. interests, current policy, and military roles**
- **Challenges to assumptions underlying current policy**
- **Changes in Asia**
- **Asia and the United States**
- **Asia's future core environment**
- **U.S. Interests, strategic goals, and regional objectives**

P329-26-0393

Interestingly, the picture appears rather different on the U.S. side.

## Asia's Rising Economic Importance to the United States (1)

AP 10 Weight in U.S. Trade		
	1970	1990
Share of total:	19.5%	32.5%
<hr/>		
	1985	1990
Share of exports:	21.9%	26.6%
Increase in U.S. exports, 1985-1990 (AP 10):		118.9%
AP 10 share of total U.S. export growth, 1985-1990:		32.6%

P329-27-0393

The economic importance of the region has grown significantly over the past two decades, with the top ten Asia-Pacific countries (AP 10) now accounting for roughly one-third of total U.S. trade. This figure is widely cited. Less well appreciated, given the widespread emphasis in the United States on Asia's "closed markets," is the importance of the region for U.S. exports. Over the last five years, for example, the AP 10 countries have come to represent nearly 27 percent of total U.S. exports. The growth in U.S. exports to these countries between 1985 and 1990 was nearly 119 percent, with the AP 10 accounting for nearly one-third of *total* U.S. export growth over this period.

## Asia's Rising Economic Importance to the United States (2)

AP 10 Weight in U.S. Trade		
	1970	1990
Share of total:	19.5%	32.5%
<hr/>		
	1985	1990
Share of exports:	21.9%	26.6%
Increase in U.S. exports, 1985-1990 (AP 10):		118.9%
AP 10 share of total U.S. export growth, 1985-1990:		32.6%

Growth in U.S. Exports to Japan, 1985-1990		
Total U.S. exports:		119%
Manufacturing:		160%
Agriculture:		72%
<hr/>		
	1985	1990
Ratio of U.S. manufactured to agricultural exports:	55/45	64/36

P329-28-0393

Given the mood in the United States today, it is useful to note that Japan has fully participated in this trend toward open markets. Between 1985 and 1990, total U.S. exports to Japan grew from \$21.2 billion to \$48.6 billion, an overall increase of 119 percent, which significantly exceeds the 79 percent increase in U.S. exports to the rest of the world in the same period. Moreover, these exports to Japan are increasingly composed of manufactured products, which grew from \$11.9 billion to \$30.9 billion, an increase of 160 percent. These figures contrast with a rise from \$10.3 billion to only \$17.7 billion for agricultural and primary products (an increase of 72 percent) and highlight the extent to which exports of manufactured goods now dominate—nearly two to one—in U.S. sales of products to Japan.<sup>4</sup> Such a trend translates, to use the currency of contemporary American politics, into “jobs, jobs, jobs” and underlines Japan’s growing importance to the United States.

<sup>4</sup>See, for example, Peter L. Gold and Dick K. Nanto, “Japan-U.S. Trade: U.S. Exports of Negotiated Products, 1985-1990,” *CRS Report for Congress* (Congressional Research Service, November 26, 1991), pp. 4-10.





But Asia's importance to the United States is rising in political and foreign policy terms as well. Without China's political support and Japan's political and financial support, operations through the United Nations, such as Desert Storm and sanctions against Libya, would not have been possible. Japan's overseas development assistance is now roughly equal to that of the United States and is increasingly allocated to countries of strategic importance to the United States, such as Egypt, Turkey, and Pakistan. On a front burner issue, the support of Asia-Pacific countries (particularly Japan, but China, Australia, and others as well) has been critical to maintaining pressure on North Korea to give up its nuclear weapons program.

The point is simply that the United States can no longer go it alone. If it wants to advance U.S. global and regional interests, it increasingly needs the support of U.S. friends and allies in Asia.

### **Fifth Set of Issues**

- Traditional U.S. interests, current policy, and military roles
- Challenges to assumptions underlying current policy
- Changes in Asia
- Asia and the United States
- Asia's future core environment
- U.S. interests, strategic goals, and regional objectives

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When all these trends are pulled together, Asia's future core environment—which, again, focuses on the key continuities rather than the potential turning points—can be described as is done in the next two charts.

### **Dimensions of Asia's Future Core Environment: Increased Fluidity and Hedging**

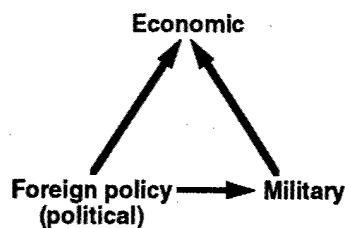
- No single unifying threat, but heightened anxieties, range of potential threats, and increased Asian hedging
  - Major long-term threat: growth of state(s) seeking regional hegemony
  - Major short-term threat: violent North Korean collapse, aggression
  - Additional concerns: refugee flows, internal disorder
- Military technical revolution
- New economic geography—increased U.S. stakes
- Political fluidity—potential political realignments
- Decreased U.S. willingness to bear burdens

P329-31-0393

Militarily, there will be considerable ambiguity, with no overarching threat to unify the Asian nations. Instead, there will be growing concerns about a range of *potential* threats, along with increased hedging in Asian policies. The major long-term threat to the United States will be the growth of conditions that lead, over time, to the rise of a state or group of states seeking regional hegemony. North Korea will remain the principal concern for the United States in the short term, with the focus increasingly shifting from the possibility of large-scale unprovoked aggression (although North Korean desperation cannot be ruled out) to the danger of massive instability and violent collapse. Given the real potential for enormous refugee flows and political instability in key parts of the region, attention will increasingly need to be paid to capabilities for humanitarian assistance, crisis management, and rapid reaction.

Meanwhile, although the military capability gap between the United States and the Asian countries will remain enormous, Asian military capabilities will see significant improvement throughout the decade, raising the likely scope and lethality of future military conflicts. The challenge for the United States will be to shape an increasingly consequential and fluid environment to further U.S. interests in an era of decreased American willingness to bear large international burdens.

### Dynamics of Asia's Future Core Environment: A New "Strategic Triangle"



- Name of game: making money
- Foreign policy as means for maximizing national gain, preventing costly arms race
- Arms buildup as hedge against foreign policy failure

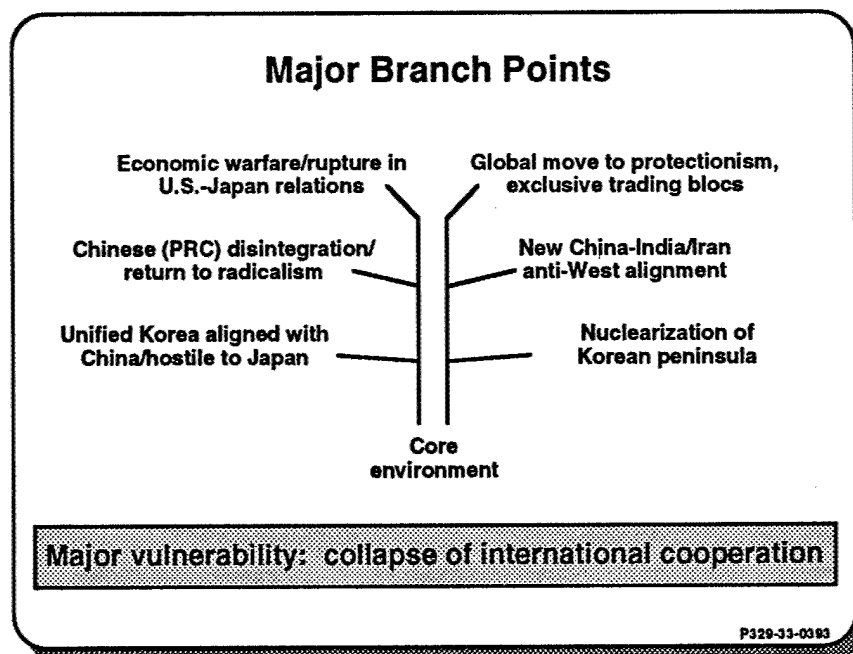
**U.S. an integral part of dynamics: must be a player**

P329-32-0393

The preceding chart lists the *dimensions* of Asia's future core environment. This chart depicts its *dynamics*, i.e., the way trends *interact* and their implications.

As the chart suggests, we believe the regional dynamics can be thought of in terms of a new strategic triangle: not the relationships formed in the 1970s and 1980s from the competition among the United States, the Soviet Union, and China, but the relationships emerging in this new age of international capitalism from the connections among economic, foreign policy, and military interests. The logic of the triangle is simple: Asian nations realize they will win the game by making money, not weapons. This realization will drive foreign policy as governments focus their energies not on ideology, but on maximizing national gain from expanded economic interactions. Since these benefits would be threatened by a major arms race or actual military conflict, Asian governments will try through a variety of political and foreign policy means to reduce suspicions and constrain demands on their national treasuries. The current arms buildup is a hedge against the failure of foreign policy—especially a precipitous U.S. withdrawal from the region, the emergence of a state seeking regional domination, or a shocking political realignment—and an insurance policy against long-term threats to Asian economic interests.

It is important to stress that the United States is an integral part of these dynamics: the power and prestige the United States brings to the table guarantee that no other nation will become dominant, which enables Asian governments to play the economic game and avoid more costly arms buildups. America is in this sense the lubricant that keeps the strategic triangle in equilibrium. This position requires a certain assumption of responsibility, but it also provides real leverage. Whatever interpretation one has of Japan's trade policies, for example, Japan would unquestionably have been less motivated to make significant concessions to the United States on economic issues were it not for the Japanese desire to maintain a strong U.S. military presence in the region. In the changed global and domestic-U.S. environments, widespread Asian concerns about a U.S. withdrawal from Asia bolster the desire to conciliate the United States on economic and other issues and increase U.S. leverage. The meaning for the United States is clear: If the United States wants to maintain a stable regional equilibrium and further its economic and political interests, it must be a player on all three sides of the triangle.



While the core environment we have defined is the one we believe should be used for planning, we are aware, of course, of many uncertainties. Among the six major unknowns listed here, the top two—a rupture in U.S.-Japan relations (probably over economic tensions) and a global move toward protectionism—are the most widely noted. We regard these as perhaps the *least* likely, but we recognize that they would undoubtedly have the greatest impact *if* they did occur.

All six items represent critical strategic uncertainties that would constitute major branch points away from the core environment we have described. Any U.S. strategy must include elements to both direct events away from such branch points and hedge against their possible occurrence. It also must address a major underlying vulnerability: a gradual collapse of international cooperation. Should such a collapse occur, the entire core environment “tree” would be uprooted.

### **Sixth Set of Issues**

- Traditional U.S. interests, current policy, and military roles
- Challenges to assumptions underlying current policy
- Changes in Asia
- Asia and the United States
- Asia's future core environment
- U.S. interests, strategic goals, and regional objectives

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What does such a core environment mean for the United States?

### **Traditional U.S. Interests Will Endure, but Relative Weight Will Shift**

Traditional Ranking	Core Environment Ranking
1. Prevent domination of region by hostile power(s)	1. Assure U.S. access and influence
2. Encourage regional peace and stability	2. Foster spread of market economies and democratic political systems
3. Assure U.S. access and influence	3. Encourage regional peace and stability
4. Foster spread of market economies and democratic political systems	4. Prevent domination of region by hostile power(s)

P329-35-0393

First of all, it means that America's traditional interests will remain intact throughout the coming period: the United States will still have an interest in preventing any hostile power or combination of powers from dominating the region, in encouraging regional peace and stability, in assuring U.S. access and influence, and in fostering the spread of market economies and democratic polities. Given the increased economic importance of the region to the United States and the heightened political fluidity, these abiding interests will if anything be strengthened. But each of the interests will be modified in certain respects, and their relative weight will shift from their traditional ranking in the post-World War II period.

In an environment of perceptions of decreased external threat and increased intraregional interactions, with heightened economic competition and the ascension of a new Asian generation to leadership positions, assuring U.S. access and influence will rise to the top of U.S. priorities. Put simply, the United States will no longer be able to take American leadership, and the access and influence that goes with it, for granted. Also, it will need to define "access" more broadly than it has tended to do over the past four decades. Arranging for naval visitation rights and repair facilities will remain important to the U.S. ability to project military power. But the United States will increasingly need to think of access in political and economic terms as well, with its efforts



focusing on ensuring that the United States has a place at the regional table.

The U.S. interest in fostering the spread of market-oriented economies and democratic polities (an interest to which U.S. administrations have often paid no more than lip service with regard to Asia) will similarly rise in importance, as the American public seeks a moral compass for post-Cold War U.S. foreign policy and as the internationalization of capitalism and global spread of democratic values render Asia's remaining communist systems both anachronistic and obstructive to the development of a stable, cooperative international order. Encouraging regional peace and stability will also remain an important U.S. interest. But not every Asian spat will dictate U.S. involvement, and not every change in the status quo will constitute a threat to regional stability. The U.S. interest will be in those tensions and disputes that hinder the establishment of a new regional equilibrium, which we define as self-restraints on Asian defense buildups, no unilateral use of military force, and the sort of interactions depicted in the strategic triangle described above.

Finally, the historic American interest in preventing the rise of a hostile power or group of powers able to dominate the region will continue to shape U.S. policies. But the collapse of the Soviet Union, the only state that had the potential for regional domination in the short term, will decrease the immediacy of this interest and shift attention away from containment per se to preventing the *growth of conditions* that could, over time, lead to the rise of a new state seeking regional domination.

### **And Other Interests Will Get Heightened Priority**

- **Strengthen competitive capabilities**
- **Control arms buildup and proliferation**
- **Foster move toward greater collective security**

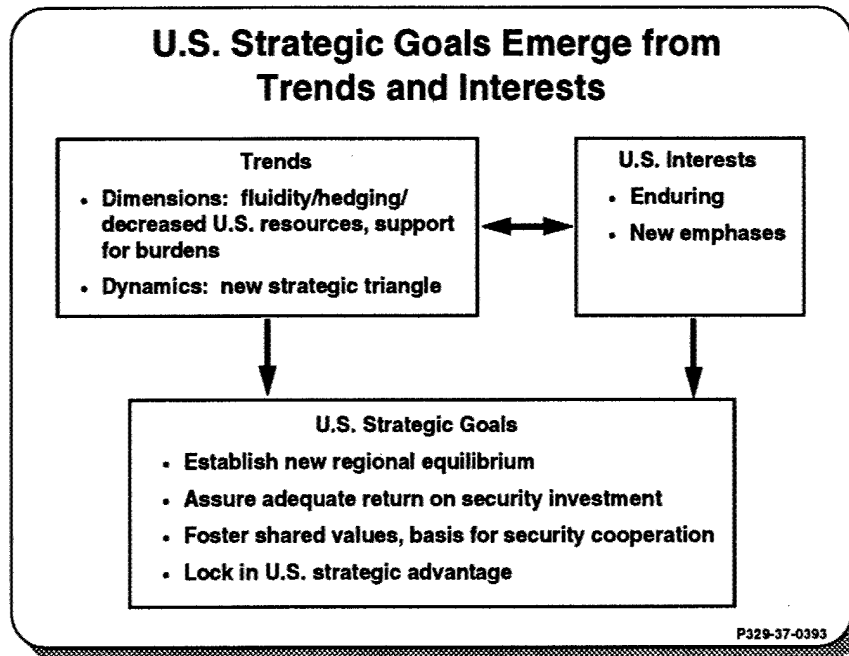
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At the same time that the relative weight of traditional U.S. interests shifts, other interests will be given greater priority. Among these, the strengthening of America's economic competitiveness will rank at the top, both as an end in its own right and as a way to reinforce U.S. access and influence in the region. Unless the United States can put its own economy in order and demonstrate its viability as an international competitor, Asian nations will simply not take it seriously as a regional power. By the same token, unless the United States can demonstrate that a continued American presence facilitates this economic strengthening, it will have difficulty sustaining U.S. regional engagement.

Restraining the arms buildup in Asia and the proliferation of nuclear and advanced conventional weapons will similarly rise in importance as the military technical revolution advances and Asian countries become important producers of military equipment. An inability to restrain this buildup will hinder efforts to establish a new regional equilibrium and adversely affect prospects for world peace.

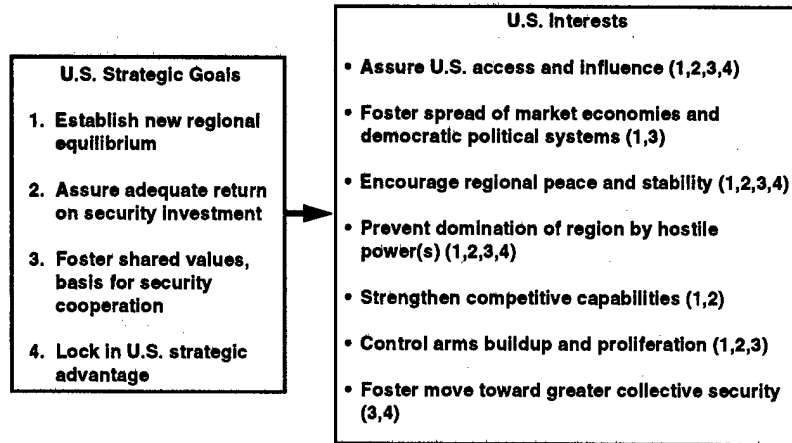
Finally, the decreased willingness of the American public to bear heavy international burdens and changing American attitudes toward the outside world more broadly reinforce the U.S. interest in fostering progress toward greater collective security. While a world run by the United Nations is not in the cards for the foreseeable future, greater

responsibility sharing by U.S. friends and allies and the development of a more collaborative international security system are essential for problem solving in the new era.



U.S. strategic goals flow from the dominant trends and America's central global and regional interests. Given our understanding of the dimensions and dynamics of the future core environment and both the traditional and new U.S. interests in this projected environment, we posit four principal strategic goals for the United States for the remainder of this decade. The United States wants to (1) foster a new equilibrium in Asia, by which we mean self-restraints on Asian arms buildups, no unilateral use of force by regional powers, and the kind of interactions depicted in our notion of a new strategic triangle; (2) ensure an adequate return on its security investment, both to bolster U.S. competitiveness and to maintain domestic political support for continued U.S. engagement; (3) foster shared values and the gradual evolution of a collective security system in which U.S. allies and friends play larger roles in furthering common interests; and (4) lock in the strategic advantage the United States currently enjoys as the result of the Soviet disintegration and the broad success of post-World War II U.S. policies.

## Achieving Strategic Goals Is a Means for Furthering U.S. Interests



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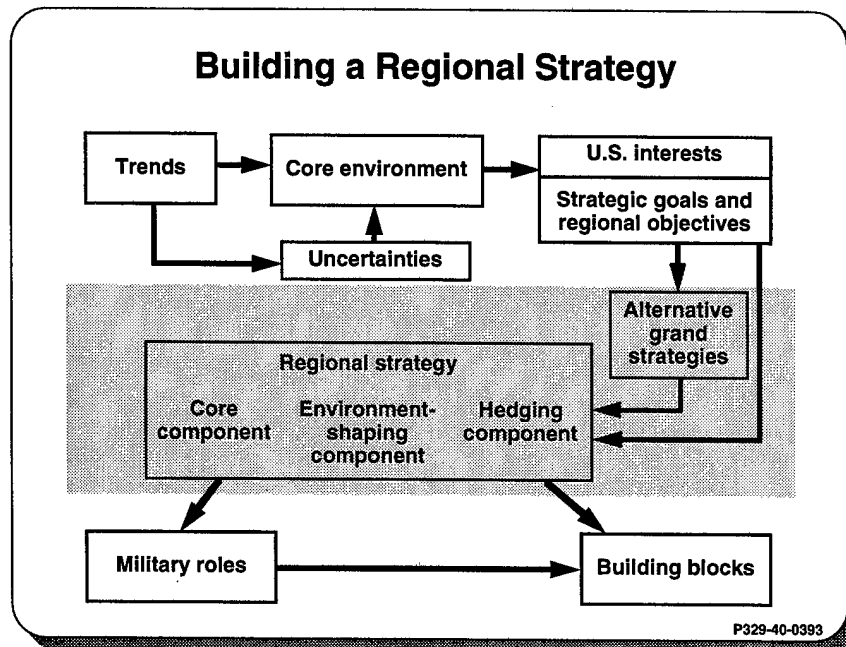
Achieving these strategic goals will help the United States advance its key national interests. Establishing a new regional equilibrium, for example, would contribute to furthering all U.S. interests—both traditional and new—except for the last one, fostering a move toward greater collective security. By meeting all four strategic goals, the United States would assure its access, encourage regional stability, and prevent the growth of conditions leading to domination of the region by a hostile power, and it would do so while furthering each of the other U.S. interests.

### **U.S. Regional Objectives Flow from Strategic Goals**

- **Expansionist former Soviet Union replaced by modernizing post-imperial Russia**
- **Moderately armed Japan closely tied to U.S.**
- **Reforming China opened to West**
- **Unified Korea tied to West**
- **Economically open India/Pakistan drawn into strategic triangle**

P329-39-0393

In regional terms, the United States wants to see these main things happen.



This second section of the report focuses on how the United States should respond to this core future. It describes how, in the absence of a U.S. grand strategy or a national consensus to provide guidance, we went about constructing a strategy to meet U.S. goals and objectives and advance U.S. interests in the new environment we have described.

### **We First Identified Alternative Strategies Drawn from Public Debate**

- **"Creative adaptation" (current):** adapt but maintain policy fundamentals
- **"Collective internationalism":** strengthen international institutions to achieve global collective security
- **"Extending 'great transition' ":** protect shift toward democracy/free markets
- **"Revitalizing America":** emphasize U.S. domestic difficulties and "America first" foreign policies

P329-41-0393

First, we examined four alternative grand strategies, each one drawn from the public debate and identified in other work done at RAND (previously mentioned). This chart lists the alternatives: creative adaptation (the current U.S. strategic orientation), collective internationalism, extending the "great transition," and revitalizing America.

*Creative adaptation*, as described earlier, seeks to adapt in timely and creative—but ad hoc—ways to the dramatic changes in the world. It allows for a reduction of U.S. military forces in response to a lessened external threat and intensified budgetary and domestic political pressures, but it seeks to maintain the fundamentals of traditional U.S. policies and to minimize any restructuring or refocusing of U.S. priorities. Emphasis is placed on maintaining stability.

*Collective internationalism* seeks to strengthen those arrangements and institutions deemed so successful in winning the Cold War—i.e., U.S. alliances and international institutions—and to expand their roles and responsibilities to move, over time, toward a global system of collective security. This strategy maintains U.S. global engagement, but it scales back American involvement and unilateral action while seeking to expand the Western "club" of nations and increase the burden sharing of U.S. allies.

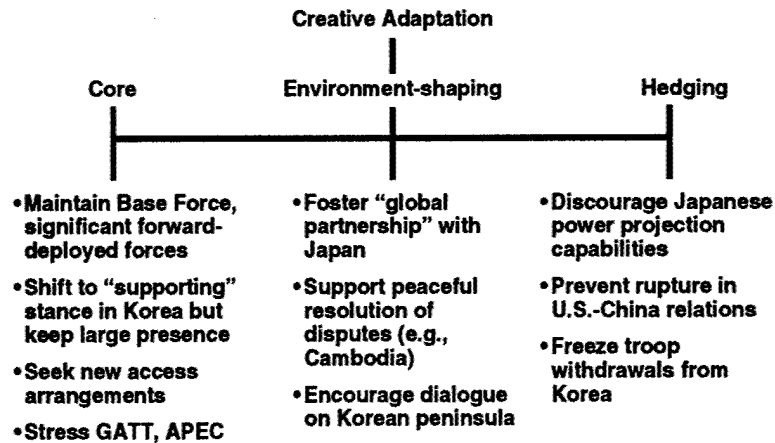


*Extending the "great transition"* seeks to protect and extend the global shift of the past several years toward democracy and market-oriented systems. The emphasis is on "universal" values (such as human rights, free markets, and liberal democracy) over short-term national interests, and efforts are made to actively propagate these values even when they conflict with such other U.S. goals as stability and alliance management. This strategy seeks to minimize U.S. foreign policy costs not directly related to protecting the "great transition," but it is prepared to take unilateral action on behalf of this objective if necessary. With regard to trade and other international economic issues, this strategy emphasizes acting narrowly in the U.S. national interest.

*Revitalizing America* emphasizes U.S. domestic difficulties: rebuilding physical and intellectual infrastructure, solving social and cultural problems, and improving international competitiveness. This strategy is not necessarily synonymous with isolationism, although it calls for a major scaling back of U.S. overseas military involvement. Nor is it necessarily synonymous with protectionism, although the effect of many of the measures its proponents advocate appears likely to be a U.S. move in this direction. The strategy gives priority to foreign economic threats, focusing on "America first" policies that stress reciprocity and equalization of international economic competition. It emphasizes the need to avoid being distracted by calls for a "new world order" or other demands on the U.S. national treasury, such as large forward-deployed forces or economic assistance to Eastern Europe and the former Soviet Union.

The alternative strategies just described are, by intention, simplified, notional representations. In the real world, they are more complex and contain many overlapping elements. But we treated them as separate and distinct to capture the fundamentals of the debate and to highlight both the relative emphases and key differences among them. We address the question of possible integration later.

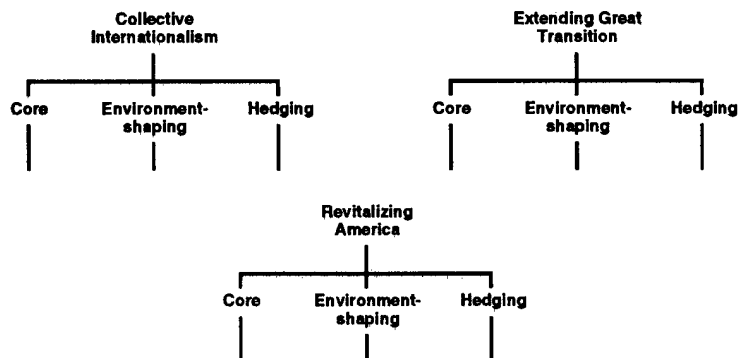
**Next We Broke Creative Adaptation (Current Strategy)  
Down into Its Regional Strategy Components**



P329-42-0393

After identifying these alternative strategies, we tried to operationalize them in regional terms. We started with current U.S. strategy, creative adaptation, and broke it down into its primary core, environment-shaping, and hedging components, recognizing that some components fit in more than one category. "Seek new access arrangements," for example, is part of the core strategy, but it can also help shape the environment and hedge against unanticipated developments. And "foster a 'global partnership' with Japan," shown as an environment-shaping component, might be considered a core component of the current U.S. strategy, as well as a hedging component, given that a successful "partnership" would help hedge against unwanted developments in Japanese foreign policies. We categorized the components notionally in terms of their central thrusts or emphases.

### **We Then Did the Same for the Other Three Alternative Strategies**



P329-43-0393

After identifying the key components for creative adaptation, we then did the same for each of the other three alternative strategies.

### Conclusion: All Alternative Strategies Are Lacking

U.S. Strategic Goals	Alternative Strategies			
	Creative Adaptation	Collective Internationalism	Extending Great Transition	Revitalizing America
Establish new regional equilibrium	?	Y	N	N
Assure adequate return on security investment	N	N	Y	Y
Foster shared values, basis for security cooperation	?	Y	Y	N
Lock in U.S. strategic advantage	Y	?	?	N

P329-44-0393

What we found was that each of the alternative strategies falls short in meeting U.S. strategic goals and furthering U.S. interests. The present U.S. orientation, creative adaptation, arguably will succeed in locking in the strategic advantage America enjoys today (as postulated in the draft Defense Planning Guidance leaked to the press), although maintaining domestic political support for such a heavy overseas security burden is problematic. But it will not assure an adequate return on the American security investment, given its failure both to provide a greater payback for maintaining the U.S. part of the de facto security bargain it has struck with Asian nations and to integrate improved American competitiveness into its regional strategy as a core component. Because these failures exacerbate tensions in our bilateral relations and heighten domestic political pressures for economic retaliation and military withdrawal—fostering in the process the perception in Asia of American decline and retrenchment—they also hinder achievement of the other strategic goals: establishing a new regional equilibrium and creating a broader basis for security cooperation.

The second alternative, collective internationalism, could contribute over time to establishing a new regional equilibrium and fostering expanded security cooperation by downplaying American unilateralism and strengthening international institutions. But it, too, would not assure an adequate return on the U.S. security investment. Indeed, it could set this

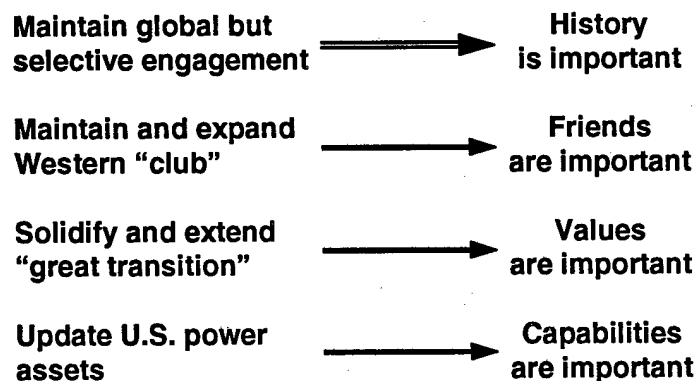
goal back further by diluting U.S. leverage. Whether it would further or impede the goal of locking in the current U.S. advantage is uncertain. On the one hand, a successful collective security system would prevent the rise of challenges to the current U.S. dominance. On the other hand, achieving a successful collective security system seems highly problematic and is certainly so in the short to mid term. Given the current state of the international system, putting U.S. marbles in this basket might simply intensify global anarchy and expedite the rise of new regional powers while paralyzing unilateral U.S. actions.

Extending the great transition, the third alternative, would be stronger than either of the first two strategies in assuring an adequate return on the U.S. security investment, since U.S. priorities would focus more narrowly on U.S. economic interests, and overseas commitments would be limited to those nations that share American values and that are willing to "pay" for American involvement. It also would help create a basis for security cooperation with these like-minded nations through manifestations of U.S. willingness to act—unilaterally if necessary—to defend commonly shared values and interests. The strategy would not contribute to establishing a new regional equilibrium, however, primarily for two reasons: (1) because the effort to minimize U.S. foreign policy costs not directly associated with the propagation of "universal" values would help foster the perception of a regional vacuum of power to which key Asian nations would feel forced to respond, and (2) because some of these countries would seek new, destabilizing alignments to counter increased manifestations of U.S. moralism and unilateralism. For the same reasons, it is doubtful that the strategy would further the goal of locking in the current U.S. strategic advantage.

If the last strategy, revitalizing America, were to have embodied within it an "America first" orientation, it would undoubtedly further the goal of ensuring an adequate return on the American security investment, in the sense that the United States would not make the investment without guarantees of an adequate return. But such a strategy fails on all other counts: the major scaling back of U.S. overseas involvement and emphasis on foreign economic threats would undermine the goal of interacting with Asian countries in ways that contribute to the establishment of a new regional equilibrium, promote expanded security cooperation, and—because of U.S. military withdrawals—prevent the rise of regional powers that could, over time, challenge the currently advantageous U.S. strategic position. Such a strategy could also have its own negative economic consequences. Should the strategy lead the United States toward protectionist policies, for example, U.S. business could get lazy in the absence of competition, making America less competitive and prosperous

over the long term as a result of increased restrictions on Asian access to U.S. markets. This last point highlights an important aspect of the strategy issue that is somewhat lost in the current U.S. debate: the United States has to look at both the short *and* long term. If it focuses only on the short-term issue of "jobs" and resorts to protectionist measures, it risks serious damage to its long-term interests.

### **Creating a Hybrid Strategy: "Comprehensive Security"**



P329-45-0393

Although each of the four strategies is lacking in critical respects, each does have something important to offer. The emphasis of the current U.S. strategy on maintaining global involvement and an active American leadership, for example, highlights the importance of learning: isolationism was historically disastrous, for the United States and the world at large, and a U.S. failure to engage actively and constructively in global affairs would be harmful to all U.S. goals and national interests. Collective internationalism points us toward the importance of friends and the need to build on the successful U.S. alliances and Western institutions in order to move toward a more cooperative, collaborative international order. Extension of the great transition rightly emphasizes the important role of shared values in guaranteeing lasting peace and prosperity. And the revitalizing America strategy flags the importance of capabilities—economic, social, and intellectual, as well as military—and the need to update national assets if the United States is to remain the world's preeminent power.

The task we identified was to cobble together a hybrid strategy that integrates and maximizes these positive aspects of the alternative strategies while avoiding their negative ramifications. Our notional grand strategy, which we call "comprehensive security," suggests the need to do precisely this.

### **Comprehensive Security in the Region: A Strategy of Access**

- **Central strategy: seek goals through regionally focused presence and active but collective engagement**
- **Strategy Involves:**
  - Sustained but reduced and restructured military presence—military backs up U.S. engagement
  - Active political and economic/business involvement—keep place at table
  - More collegial style of leadership

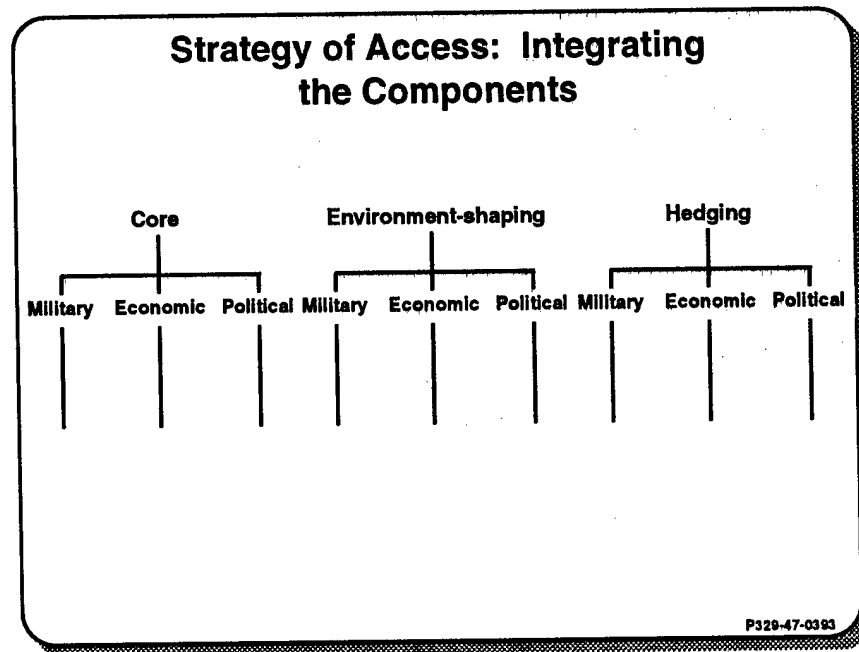
**Approach Asian countries as potential joint-venture partners**

P329-46-0393

The regional manifestation of a grand strategy of comprehensive security might be called a strategy of access—i.e., one in which the United States uses a regionally focused presence and collective engagement across the board to create a new regional equilibrium, assure an adequate return on America's security investment, strengthen the basis for expanded security cooperation, and lock in the present U.S. strategic advantage. Such a strategy involves the kinds of approaches listed in the chart: a sustained but restructured military presence that ties the United States to the region and supports its political and economic interests; active involvement to secure a place at the regional political table; and a more consultative and collegial style of leadership. In a sense, the United States should approach the countries of Asia—starting with U.S. allies but going beyond them—as potential joint-venture partners and should work to secure a place as an insider in any regional transaction.

This report focuses on the external political-military elements of such a strategy and intentionally does not detail the domestic economic elements. As noted earlier (see chart entitled "And Other Interests Will Get Heightened Priority"), however, the increased U.S. interest in strengthening American economic competitiveness will necessitate a number of internal economic efforts (ranging from improving U.S. technological and industrial competitive capabilities to tapping into Asian economic dynamism) that this strategy is explicitly intended to facilitate.





Having identified a regional strategy, we then broke it down into its core, environment-shaping, and hedging components. We then divided those components into their military, economic, and political elements.

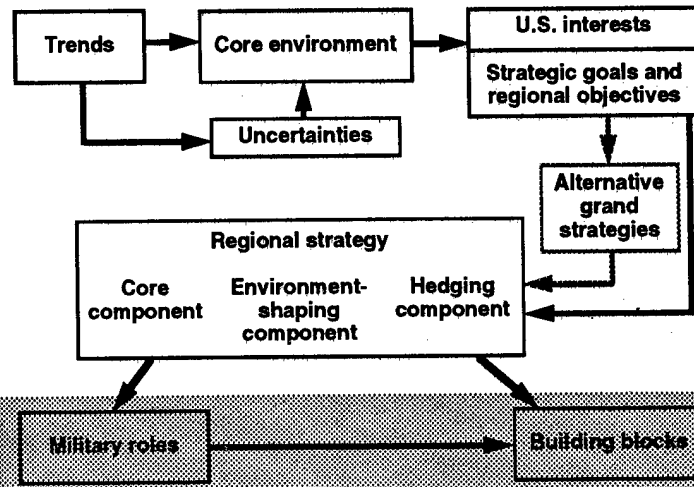
### Strategy of Access: Political-Military Elements

- Maintain alliances and forward presence, but restructure forces for regional presence, rapid response, and humanitarian assistance
- Use military indirectly to create foundation for coalition activities and to reinforce U.S. advantage
- Foster and direct regional dialogue
- Encourage alternative development paths to restrain proliferation
- Utilize arms control to bolster U.S. presence, strengthen regional equilibrium, and lock in U.S. advantage

P329-48-0393

Since most of the economic elements address aspects of *domestic* U.S. policies, we do not address them in detail in this report. This chart shows the five main political-military elements of the strategy of access that we abstracted from the many core, environment-shaping, and hedging components: maintaining U.S. alliances and some forward-deployed forces, but *restructuring* these forces for regional presence, rapid response, and humanitarian assistance; using the restructured military presence *indirectly* to sustain a regional equilibrium, create a foundation for coalition activities, and reinforce the present U.S. advantage; more actively fostering and *directing* a regional security dialogue; encouraging *alternative development paths* to restrain proliferation; and utilizing arms control to *bolster the U.S. presence*, strengthen regional equilibrium, and lock in the current U.S. advantageous strategic position.

## Identifying Military Roles and Policy Measures



P329-49-0393

This final section of the report develops each of the five main political-military elements in greater detail and identifies both broad policy emphases and specific initiatives (building blocks) that will help the United States flesh out a regional strategy and further its goals and interests in the new environment. Before that, however, we want to contrast U.S. military roles under our proposed strategy of access with those involved in the current U.S. orientation.

## Comparison of Military Roles

<u>Creative Adaptation (Current Strategy)</u>	<u>Strategy of Access</u>
Symbolize U.S. regional engagement	Same
Protect and reassure Asian friends, prevent power vacuum	Same, but new security bargain (stability not enough)
Maintain deterrent/reinforcement capability for Korea	Same, but restructure, use different means

P329-50-0393

When we put these roles side by side, we see important elements of continuity. Under both strategies, for example, U.S. military forces play the symbolic role of demonstrating American intentions to remain a regional power. But there are also important modifications. While providing both protection to Asian allies and friends against threats to their security and reassurance that no other country will become dominant in the region, the U.S., under the strategy of access, would make clear that it is looking for a greater payback for continuing to assume this role of responsibility. The message would be straightforward: Stability alone is not enough. What the United States seeks is a new security bargain in which America's willingness to continue to play this role—which enables Asian nations to minimize their own defense spending and concentrate on economic growth and prosperity—is balanced with Asia's willingness to support the U.S. military presence and take American economic interests seriously, by which we mean a demonstrated pattern of behavior over time that shows an openness to U.S. exports and investment. Similarly, while the United States would remain committed to deterrence in Korea and maintain a robust reinforcement capability, it would move away from a large forward presence and rely on a different mix of forces to deter and defend. In both cases, the roles of the U.S. military would change as the U.S. presence is restructured.

### **Additional Military Roles**

- **Prevent imbalance, realignments**
- **Provide regional presence: rapid response, humanitarian assistance**
- **Provide catalyst/forward trigger for U.S.-led coalitions (including UN)**
- **Help exploit Asian dynamism, strengthen U.S. leverage**

P329-51-0393

At the same time that current U.S. military roles would undergo modification, they would be supplemented by a number of new roles and responsibilities. One would involve a move away from a concern with "stability" per se toward a focus on helping to maintain regional *balance* and avoid potential political *realignments* that would be disruptive to regional equilibrium. This change does not suggest a move away from U.S. alliances toward a classic balance-of-power approach, but rather that military activities place a greater emphasis on sustaining presence in those key countries and areas where radical change could disrupt the existing equilibrium in the region. Another change would be a greater emphasis on providing capabilities for responding rapidly to emergencies and natural disasters. A third would be to provide a forward trigger for U.S.-led coalitions, inside or outside the United Nations. And a final, critical new role of the military would be to help strengthen U.S. leverage on nonmilitary matters and facilitate the broader effort to exploit Asian economic dynamism in ways that strengthen U.S. economic competitiveness. All of these roles will require a different kind of presence, mind-set, and leadership than the United States has had in the past.

In sum, while the relative weight of the military will decline overall in U.S. policies, U.S. military roles will become both more multifaceted and more integrated with the economic and political parts of U.S. strategy. Under

the strategy of access, they would involve not only new approaches to the traditional emphases on deterrence and reassurance, but more active efforts to shape the regional environment through a broader set of roles and missions. These roles are critical and irreplaceable if the United States is to achieve its strategic goals and further its interests in a new environment.

### **Maintain Alliances and Restructure Forward Presence (1)**

- **Preserve U.S. nuclear shield, power projection, and intelligence collection capabilities; emphasize**
  - **Rapidly deployable components, forces that allies lack**
  - **Capabilities that create infrastructure for future coalitions (command and control, lift, warning, and intelligence)**
- **Continue search for expanded access but**
  - **Explore new forms of presence**
  - **Rotate major exercises through the region**
  - **Expand joint/combined training, exercises**
  - **Demonstrate rapid deployment capabilities**

P329-62-0393

The first of the five main elements of the strategy of access is—within the context of continued strong alliances and a sustained forward presence—to *not only reduce U.S. forces, but to also restructure them to more explicitly address the objectives of regional presence, rapid response, and humanitarian assistance*. In doing so, the United States should maintain the nuclear shield it provides to key allies while also protecting its power projection and intelligence collection capabilities in the process of downsizing. These are capabilities that the allies either lack, and hence would feel vulnerable without, or should not have if the United States is to preserve its current strategic advantage. They also play to the natural U.S. comparative advantage and facilitate the construction of a foundation for future coalitions. Similarly, the United States should continue its current search for expanded access arrangements but should consider new forms of presence and step up combined activities.

### **Maintain Alliances and Restructure Forward Presence (2)**

- **Resist pressures to change force structure in Korea now, but plan to reduce ground forces and restructure as regional rapid response task force**
- **Plan to restructure theater commands; emphasize regional contingency focus**
- **Consider increasing regional prepositioning (especially maritime)**

P328-53-0393

Until the nuclear issue is satisfactorily resolved, the United States should maintain the recent DoD freeze on troop reductions in Korea. Under present circumstances, there is no way that North Korea would interpret major U.S. drawdowns as reflecting anything other than a weakening of U.S. resolve. But the United States should plan to move away from a large ground presence and to restructure the remaining forces as a regionally oriented rapid response force, with special emphasis on lift, support, and intelligence capabilities. In restructuring U.S. ground forces, the United States would not be altering in any way its commitment to Korea's security. It would simply be manifesting its recognition of the changed regional and domestic U.S. environments and the belief that the United States can adequately maintain its defense commitment with a different mix of forces.

As part of this process, the United States should also examine changes in the command setup. The objective here should be to create a more regionally focused structure, one with its center of gravity in the region and its emphasis on collegial leadership. By helping to create a more "level playing field" in the defense area, such a command structure can be used as an instrument of policy to benefit the long-term U.S. interest in fostering greater Asian participation in collective security arrangements. Increased prepositioning of U.S. equipment, especially maritime equipment, would reinforce the message of continued U.S. engagement.



### **Restructure Forward Presence: Building Blocks (1)**

- **Protect U.S. air power as U.S. downsizes**
  - Deploy improved air munitions, tactical reconnaissance (J-STARS)
  - Stress rapid power projection (conventional B-2s, standoff weapons)
- **Preserve aircraft carrier base in Japan; consider homeporting additional carriers overseas (establish combined naval support facility?)**
- **Maintain ground forces in Korea for now; study increased regional specialization, substitution of U.S. Army for Marines**

P329-54-0393

The next two charts list a number of specific steps, or building blocks, that reflect the policy emphases just described. There are steps the United States can take, for example, to protect and enhance U.S. air power even as the military downsizes. Deploying the Joint Surveillance and Target Attack Radar System (J-STARS) and improved air munitions while emphasizing standoff weapons and other power projection capabilities will strengthen the U.S. regional "hammer" and also will help bridge the gap between the onset of any hostilities in places such as Korea and the establishment of a stable defense.

The United States should also protect the carrier group homeported at Yokosuka. This group is an important symbol of the 7th Fleet's presence, which most Asians regard as the operational minimum for maintaining the credibility of the U.S. pledge to remain an Asian power. Although the idea is politically contentious, the United States might also explore homeporting another carrier in Perth or elsewhere, perhaps under the guise of a combined naval support facility. Such an addition would both bolster the U.S. regional presence and facilitate greater responsibility sharing by U.S. friends in Asia.

The United States should similarly protect for now its ground presence in Korea. As part of its force restructuring, however, the United States should study increased specialization between the Army and Marines in

Asia, perhaps on a regional basis. Alternatively, and preferably if budgetary and political impediments can be surmounted, the United States might consider deploying an Army attack brigade from the 25th Infantry Division to Japan and moving the Marines to Australia. This change would maximize the comparative advantages of each service, powerfully reinforce America's intention to remain a regional power, and—assuming further increases in Japanese host country support—probably save money.

### **Restructure Forward Presence: Building Blocks (2)**

- **Increase combined exercises, stressing rapid deployability**
- **Hold naval exercises in Indian Ocean, South China Sea**
- **Explore U.S. participation in intra-ASEAN exercises and low-level U.S.–Japan–South Korea exchanges**
- **Establish Asian war-gaming and analysis center**
- **Orient EASI's next phase to force/command restructuring**

P329-55-0393

The United States should also increase the number of small-scale combined exercises it conducts with Asian friends and allies, stressing in particular its ability to rapidly deploy forces and operate not only in Northeast Asia but throughout the region. Such exercises not only foster greater interoperability and symbolize the strength of the bilateral relationship, they also illustrate and promote the role of military instruments in fostering a stable security bargain. The United States should also consider establishing an Asian war-gaming and analysis center to facilitate a broad interface for American and Asian military organizations.

Most important, the United States should orient the next phase of the East Asia Strategy Initiative, EASI, (the Bush administration's approach to streamlining U.S. forces in the region that was originally outlined in the DoD's 1990 East Asia Strategy Initiative Report) to both force and command restructuring. This move is the key to countering Asian perceptions of an "inevitable" U.S. withdrawal from the region and to resisting political pressures in the United States for larger force drawdowns than are either wise or warranted.

### **Use Military Indirectly**

- **Continue to contribute to Asian collective security good, focusing on regional equilibrium and humanitarian assistance**
- **Exploit military position to expand U.S. economic access**

P329-56-0393

The second element of our proposed strategy is to use the military indirectly to sustain equilibrium in the region. The United States has, of course, always used the military this way to some extent. But under the strategy of access, the relative importance of this indirect use would increase as the overall weight of the military declined and U.S. military roles became more multifaceted.

Efforts of this sort will support American economic interests: although it is not the job of the military to find business for the United States, an active military role adds an important set of ties that link the United States to Asia and contribute indirectly to facilitating U.S. economic leverage and access. The best example is Japan, perhaps, which would have vastly less incentive to make concessions on contentious economic issues if it did not so highly value the U.S. security guarantee and military presence.

### **Use Military Indirectly: Building Blocks (1)**

- **Reaffirm security treaties**
- **Expand IMET**
- **Establish training school for U.S. and Asian military officers**
- **Open U.S.-based operational training facilities to Asian units**

P329-87-0393

These are some steps the United States can take to move in the desired direction. Of these, we emphasize expansion of the International Military Education and Training (IMET) program (which everyone seems to love but no one seems willing to fund) and establishment of a school in Hawaii to train senior U.S. and Asian military officers. Opening U.S. operational training facilities more broadly to Asian units would further increase opportunities for expanding U.S. influence. In some cases, it might also help offset costs through additional foreign financing.

### **Use Military Indirectly: Building Blocks (2)**

- **Strengthen bilateral command and control connections, intelligence/technology sharing, co-production**
- **Expand bilateral military exchanges, CINCPAC security talks**
- **Explore informal U.S. participation in Five Power Defense Agreement**

P329-58-0393

At the same time, the United States needs to develop a new way of thinking about bilateral military relationships. The first two bulleted items above are meant to suggest ways to strengthen military ties through proper nourishment and encouragement. They highlight the need to think more fully about the political consequences of expanded command and control, technology sharing, military exchanges, and discussions, as well as the impact these would have on U.S. economic competitiveness. With Asian military organizations growing increasingly complex, electronic, highly technical, and dependent on managed information flows, the United States needs to develop an array of different architectures for the web of military relationships so that it can test their "fit" with U.S. national policy. A menu of alternatives should be developed so that different relationship packages can be examined systematically.

Whether to sell certain kinds of command and control technology to India, for example, needs to be considered in terms of the impact on nonproliferation policy and the regional balance, as well as on the diffusion of technology. The United States should initiate a systematic study on structuring Asian military capacities to identify areas in which U.S. leverage can influence, enhance, or limit indigenous Asian abilities in such areas as command and control, information management, training, and combat effectiveness—all in conjunction with U.S. national policy.

The Commander in Chief, U.S. Pacific Command (CINCPAC), can play an important role here through expanded talks with his Asian counterparts.

At the same time, the Five Power Defense Agreement among Malaysia, Singapore, Australia, New Zealand, and Great Britain provides a useful means for strengthening dialogue among the participants at the operational and policy-making levels, as well as for expanding joint exercises and training. Informal U.S. participation would provide additional access to senior regional defense officials and military officers while bolstering trends toward wider regional security cooperation.

### **Foster and Direct Regional Dialogue**

- **Supplement bilateral ties with active participation in multilateral fora**
- **Reorient dialogue toward security and economics linkage, with the message that stability is not enough**

P329-59-0393

The third political-military element of the strategy is to foster and direct a regional security dialogue. In fact, a regional dialogue is going on already at many different levels. The ASEAN members are constantly talking among themselves and with their neighbors. This dialogue is done on both a bilateral and multilateral basis and reflects the institutionalization of ASEAN itself. A recent example of dialogue on contentious security issues is the initiation of low-level talks between ASEAN states and China over the Spratley Islands. Japan's proposal to add a security component to the ASEAN Post-Ministerial Conference (PMC) is only one of many Asian proposals for expanding mechanisms for intraregional consultations. While dialogue is less developed in Northeast Asia, it is considerably more advanced than it was even two or three years ago—partly because of South Korea's successful policy of "Nordpolitik," which has facilitated informal talks between long-standing antagonists, and partly because of heightened concerns about American staying power in the region. The trend toward expanded dialogue will undoubtedly accelerate in the next few years as changes in Korea compel Japan, Russia, and China to further rethink their policies.

The point to be made here is twofold. First, to have a say in this dialogue, the United States needs to participate. It should expand consultations with both friends and antagonists while supplementing its traditional emphasis on bilateral ties with active participation in multilateral fora.



Second, it should *direct* the dialogue to issues on the *American* agenda. The linkage between security and economics is particularly important in this regard, and the United States needs to make clear that, in the new environment, U.S. economic interests need to be taken seriously. The message is simple: Stability alone is not enough.

This strategy does not mean that the United States should threaten to withdraw its forces or abrogate a security treaty every time a trade issue is not handled as it sees fit. Such a response would be silly and counterproductive. But it does suggest that the United States should make clear in its private government-to-government discussions that there is a linkage between economics and security and that U.S. decisions concerning future security relationships will be influenced by the pattern of Asian behavior on economic issues of great concern to the United States.

### **Foster and Direct Regional Dialogue: Building Blocks**

- **Appoint U.S. ambassador to APEC**
- **Add security component to ASEAN Post-Ministerial Conference**
- **Initiate annual Six Power Foreign Minister consultations on Northeast Asian issues**
- **Base NDU seminar in Hawaii and rotate among ISIS countries (subtheme next seminar: security-economics linkage)**

P329-80-0393

Probably the single most important step the United States could take to foster and direct a regional dialogue would be to appoint a U.S. ambassador to the Asia-Pacific Economic Cooperation (APEC) group. The person selected should be someone with the ear of the U.S. president and secretary of state who is allowed to speak authoritatively on the full range of economic and political-economic issues and is tasked with full-time networking with Asian leaders. The fact that the United States has had an ambassador to the European Community since its formative stages provides a precedent for similar action in Asia.

The United States should also consider strengthening consultations at the foreign-minister level itself. Formally adding a security component to the ASEAN PMC talks, for example, will help institutionalize a *regional* security dialogue while also strengthening ASEAN as a locus of intraregional discussion. The United States might also consider initiating annual consultations among the foreign ministers of the six major powers (the United States, Japan, China, Russia, and both Koreas) to discuss issues pertaining to Northeast Asia. Given Korean sensitivities, such consultations should start by focusing broadly on regional concerns rather than on the Korean peninsula itself. These consultations could then evolve over time in ways that contribute to reducing tension on the peninsula—and could maintain stability during the process of transition to unification.

Finally, the United States should use nonofficial fora more effectively. It should consider, for example, basing the annual National Defense University (NDU) seminar in Hawaii and rotating it among the ISIS countries (i.e., the Asian countries that have institutes for international strategic studies). In line with the dictates of directing the regional dialogue, the United States should adopt the linkage between economic and security interests as the subtheme of next year's seminar.

### **Restrain Proliferation**

- **Maintain U.S. nuclear umbrella**
- **Expand policy of carrots and sticks to prevent North Korean nuclearization and expedite peaceful absorption**
- **Raise danger of nuclearization to enhance U.S. stature**
- **Encourage alternative development paths**

P328-01-0383

The fourth element is to restrain proliferation. This task is, of course, not easy and will require a combination of efforts: maintaining the U.S. nuclear umbrella over allies to diminish perceptions of vulnerability; developing packages of incentives and disincentives to discourage proliferation tendencies and, in the case of North Korea, to expedite the process of absorption (which is the only ultimate nonproliferation guarantee); hyping the danger of nuclear proliferation to indirectly enhance the status of the United States; and de-legitimizing nuclear weapons and encouraging alternative paths to development.

This last effort in particular is easier said than done, but the basic idea is simple: The United States wants Asian states to accept the argument that economic development is a better path to getting rich than acquiring nuclear weapons. Most of the Asian states (with North Korea being a particularly prominent exception) are on the right track today. The United States wants them to stay there.

### **Restrain Proliferation: Building Blocks**

- **Raise level of dialogue with North Korea after resolution of inspection issue**
- **Tie any economic aid to North Korea to multilateral agencies**
- **Begin building international support for possible sanctions and increased pressures**
- **Introduce nuclear danger into low-level security dialogue**
- **Initiate conference on proliferation in South Asia**
- **Reexamine U.S. position on nuclear-free zones**

P329-62-0393

This discussion highlights the fact that North Korea is the most pressing problem. Unfortunately, there are no easy answers. Whatever happens on the inspection issue, the nuclear problem could continue to exist for some time to come. Ultimate resolution is likely to require a comprehensive approach involving both carrots and sticks. The first three bulleted items here are simply meant to flag the dimensions of the intellectual and policy challenge: providing attractive incentives, ensuring real and meaningful change, and hedging against failure. Should North Korea actually test a nuclear weapon, the United States will have to examine what is sure to be a highly controversial question: whether to reintroduce U.S. nuclear weapons into Korea.

At the same time, the United States should underline the danger of nuclear proliferation in its low-level security dialogue. Doing so may have some modest deterrent effect while highlighting the importance of the United States to regional security. The possibility of a conference on proliferation in South Asia, to which all the major powers would be invited, should continue to be explored. The United States also should reexamine its position on nuclear-free zones in light of the growing proliferation danger.

Ultimately, however, the long-term U.S. approach to proliferation is linked to the creation of a new regional equilibrium and progress toward a

global collective security system. A successful strategy of access, involving active political and economic engagement, military interdependence, and the establishment of a new security bargain, will further the pursuit of both of these strategic objectives while increasing U.S. leverage over proliferation decisions.

### **Utilize Arms Control**

- **Encourage greater transparency for major arms acquisition programs**
- **Reinvigorate and extend confidence-building measure proposals**
- **Explore subregional arms reduction talks**

P329-63-0393

Finally, the United States should explore greater use of arms control in the region. The objective is partly, of course, to reduce regional anxieties: as competition at the core capacities level intensifies and "potential" capabilities grow, the risk of stimulating a real arms race (as opposed to the kind of hedging buildup going on today) and upsetting the regional equilibrium will concomitantly increase. But the United States also wants to use arms control to reinforce the American presence and help lock in its current strategic advantage. Arms control can help do this by contributing to a regional environment sufficiently benign that other countries feel no need to expand their military capabilities beyond levels necessary for self-defense and possible participation in international coalitions.

The three policy emphases listed here would help move the United States in these directions.

### **Utilize Arms Control: Building Blocks (1)**

- **Encourage greater transparency**
  - Offer assistance to regional defense planners concerning defense concepts, doctrine, and planning
  - Encourage publication of defense white papers
  - Support UN/World Bank initiatives on defense budget reporting
- **Strengthen exchanges with regional intelligence services**
- **Explore establishment of regional sea surveillance regime**

P329-84-0393

The reality of Asia, however, is that political conditions are generally not conducive to elaborate, region-wide arms control agreements. With the possible exception of Korea, the agenda for the 1990s will probably lie more in confidence-building measures, enhanced dialogue, and limited cooperative agreements. Modest steps of the sort listed here to increase transparency concerning strategic objectives and arms programs could help diminish regional suspicions and constrain impulses feeding a regional arms race. Increased transparency and information not only reassure anxious publics, they also decrease the potential for surprise.

The United States should also use exchanges with Asian intelligence services to help shape regional perceptions. Because such exchanges are a complicated business, the United States might usefully begin with case studies of past relationships to identify factors of success. But strengthening such ties could contribute to furthering the U.S. nonproliferation agenda and to developing infrastructure for a military alliance should one prove necessary.

Similarly, the United States should explore the establishment of a maritime surveillance regime for areas such as the South China Sea and the eastern Indian Ocean. A regime of this sort could be useful both as a regional confidence-building measure and as a means for establishing a presence that counters Asian perceptions of a potential vacuum of power.



### **Utilize Arms Control: Building Blocks (2)**

- **Develop opening position for possible Korean arms control talks and use it to reinforce U.S. presence**
- **Examine creation of international authority for technology transfer control and verification**
- **Seek foundation funding for Asian fellowships to study arms control at U.S. universities**

P329-85-0393

Clearly, there is no need at this point to develop elaborate negotiating proposals for conventional arms control in Korea: the United States needs to see many changes in North Korea before arms control becomes a pressing policy matter. But things could move much faster in Korea than most people are currently anticipating. The United States should prepare itself by beginning to think about what an opening position might be, should formal arms control ever get off the ground. In doing so, it should approach the issue not only in terms of real military problems—of which there are many in Korea—but also as a means for reinforcing the U.S. presence and contributing to the development of a stable equilibrium. One possibility, drawn from some unpublished work done here at RAND, focuses on the principle of establishing common ceilings at *combined* U.S.–South Korea levels on the most worrisome force structure elements, an approach that would in effect have North Korea ratify continued U.S. military involvement.

More broadly, the United States should explore ways of strengthening technology transfer controls, including the possible creation of an international control authority. The United States should also encourage increased funding by U.S. foundations for Asian students who want to study arms control at American universities.



In short, we think the United States should start building for tomorrow today. Although we expect the weight of the military element in U.S. regional strategy to decline relative to that of the economic and political elements, the military will remain irreplaceable for meeting U.S. strategic goals and regional interests. This chart summarizes the steps we think should be emphasized as the United States proceeds with its force reductions:

- Protect and enhance U.S. power projection capabilities, explore new forms of presence, and orient U.S. planning to not only reduce the U.S. forward presence, but to *restructure* it so as to facilitate continued U.S. access.
- Increase the relative priority of and attention to *indirect* military roles for regional security.
- Heighten the salience of the nuclear issue.
- Approach arms control as a means for reinforcing the U.S. presence, building regional confidence, and bolstering the broader effort to assure U.S. access and establish a new regional equilibrium.

## Comprehensive Security and Strategy of Access Will Further U.S. Strategic Goals and Interests

U.S. Strategic Goals	Alternative Strategies				
	Creative Adaptation	Collective Internationalism	Extending Great Transition	Revitalizing America	Comprehensive Security/Access
Establish new regional equilibrium	?	Y	N	N	Y
Assure adequate return on security investment	N	N	Y	Y	Y
Foster shared values, basis for security cooperation	?	Y	Y	N	Y
Lock in U.S. strategic advantage	Y	?	?	?	Y

P329-67-0393

Such an active and multifaceted approach, we believe, will help the United States to meet its strategic goals and advance its interests in a period of increasing change and fluidity.